Provider *Insider*

Alabama Medicaid Bulletin   May 2001

HIPAA and How It Will Affect the Provider Community

HIPAA is the Health Insurance Portability and Accountability Act of 1996 also known as Public Law 104-191. HIPAA has broad implications for the healthcare industry. It has been estimated that HIPAA compliance will consume about 33 cents of every healthcare dollar spent between now and 2003. Though some say that number is not accurate, HIPAA compliance will be costly and many providers and organizations have not yet been budgeted funds. All healthcare organizations are affected, including healthcare providers, health plans, clearinghouses, billing agencies, public health authorities, and information systems vendors.

Administrative Simplification, under Title II of HIPAA, requires "improved efficiency in healthcare delivery by standardizing electronic data interchange" and "protection of confidentiality and security of health data through setting and enforcing standards." There are three components of Administrative Simplification: Electronic Data Interchange (EDI) Transactions, Privacy, and Security.

HIPAA

The EDI Transactions for the exchange of electronic data must be adopted. The American National Standards Institute (ANSI) X12 format has been selected for use in exchanging all healthcare transactions, including healthcare claims or encounters (837), remittance advice (835), eligibility enrollment / disenrollment (834), claim status (276/277), prior authorizations and referrals (278). Code sets have been adopted to be used in conjunction with these transactions, including ICD-9-CM, HCPCS/CPT-4, CDT-3, National Drug Codes (NDC), Claim Adjustment Reason Codes, and Claim Status Codes. Also to be imple

mented are unique identifiers for health plans, individuals, healthcare providers, and employers.

The Privacy rule will require that covered entities adopt comprehensive privacy compliance programs, such as obtaining consents and authorizations before using or disclosing an individual's protected health information. Organizations will have to limit the information disclosed to the minimum amount necessary. The Rule also gives the individual the right to receive written notice of information policies, and to access and amend their health information.

The Security standard calls for a uniform level of protection for all health information that is housed or transmitted electronically and that pertains to an individual. Safeguards for storage, transmission, and access of individual health information must be in place. This applies not only to the HIPAA transactions, but also to all individual health information that is maintained or

In This Issue…

Pass It On!

Everyone needs to know the latest about Medicaid.

Be sure to route this to:

❒ *Office Manager*
❒ *Billing Dept.*
❒ *Medical/Clinical Professionals*
❒ *Other _____*

HIPAA and the Provider Community

transmitted. If organizations use electronic signatures, they will have to meet a standard ensuring message integrity, user authentication, and nonrepudiation.

Currently, only EDI Transactions including the adoption standard Code Sets and Privacy have been finalized. The effective dates for compliance are October 16, 2002 for EDI Transactions and Code Sets and April 14, 2003 for Privacy. There are severe civil and criminal penalties for noncompliance. Fines up to $25,000 can be charged for violation of the standard. Fines up to $250,000 and/or imprisonment up to 10 years can be charged for misuse of individually identifiable health information.

Alabama Medicaid strongly suggests that Providers make themselves aware of the required changes to their systems. At a recent provider association only a few of the members have even began discussions with their vendors or in-house information systems staff on the impact that HIPAA would have. Below are some suggested steps for Providers.

Suggested Provider Action Steps:

* Identify transactions & codes sets currently in use
     Determine HIPAA compliance of current transactions
* Identify information systems and feeder systems
     Determine HIPAA compliance of current systems
* Identify clearinghouse partners
     Determine future relationships
     Determine "clearinghouse to plan" HIPAA compliance timeframe
* Talk with your vendors
     Determine if system modifications (upgrades) will be offered
     Determine if new products will be offered
* Talk with your business partners
     Determine their HIPAA compliance plans
     Determine methodology to "secure" business partner relationship
* Involve legal counsel for all contract revisions

What is Alabama Medicaid doing about HIPAA? Recently we signed a contract amendment with EDS to begin looking at the Fiscal Agent system. We have also begun the process of soliciting an independent contractor to assist the agency with HIPAA compliance issues. Realizing we have limited resources and limited time for implementation we will be very busy in the next few months developing our plans and we will keep you updated.

REMINDER

A Reminder for Neonatologists

Procedure codes 99295-99297 can only be billed in the NICU by neonatologists. If a recipient is readmitted to the NICU, the neonatologist must be the primary physician in order for the NICU critical care codes (listed above) to be billed again."

New Medicaid Telephone Numbers for Managed Care / Patient 1st

Medical Services Customer Service Unit (334-242-5524) and Managed Care / Patient 1st Customer Service Unit (334-353-5773) combined January 1, 2001. The name changed to the Program Support Customer Service Unit. Please direct calls related to the Medical Services Customer Service Unit and the Managed Care / Patient 1st to the Program Support Customer Service Unit at 334-242-5524. If you need additional information, you may contact Georgette Harvest, Associate Director, Program Support Customer Service Unit at 334-242-5019.

Changes for DME Providers

The following changes and updates have been implemented:

Effective March 1, 2001, Durable Medical Equipment (DME) providers submitting requests for oxygen coverage for individuals requiring more than one tank of oxygen should indicate the total number of tanks needed and the medical documentation which supports the requested number of tanks. This procedure will expedite the approval of medically necessary 0_2 coverage.

The Medicaid Agency has revised the policy issued in the Provider Notice in Section E. Criteria Equipment item 4. The new policy reads: The DME supplier and its employees may not perform the ABG study or oximetry analysis used to determine medical necessity.
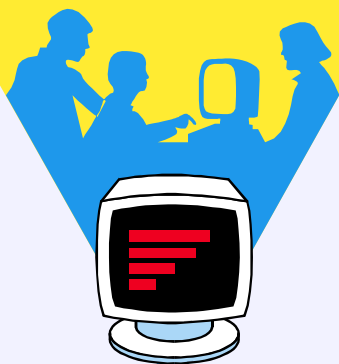
www.medicaid.state.al.us

Billing Information for Medical Crossover Claims

No eligible Medicaid recipient is to receive a bill or statement for covered services or items once that recipient has been accepted as a Medicaid patient, except for the allowable co-payment amount. Providers may send a notice to the recipient stating their claim is still outstanding, provided the notice indicates in bold letters, **"THIS IS NOT A BILL."** It is the provider's responsibility to follow up with the fiscal agent or Medicaid, **not with the recipient**, on any problem or unpaid claim. Providers may bill recipients for services or items not covered by Medicaid or when benefits have been exhausted. (Authority: Administrative Code Rule 560-X-7-.24, Rule 560-X-38-.09.)

Visit Alabama Medicaid ONLINE

Providers Can Receive:

Enrollment Applications
Medicaid Press Releases
Provider Insiders
Billing Manuals
Provider Manuals
Medicaid Software
Checkwrite Schedules
Provider Notices
Approved Drug List
Administrative Code
Drug Quick References
Patient 1st Handbook

www.medicaid.state.al.us

Telephone Number Used for Transmitting Claims Has Changed

The telephone number used for transmitting Alabama Medicaid claims to the EDS bulletin board system (BBS), 334-264-2646, has been changed. In order to ensure no interruption in service, your system must be updated with the new number, 334-215-7800 immediately, but no later than May 15, 2001. This is also the number that is used to access claims transmission reports and your Explanation of Payment.

If you are using software purchased from a vendor and do not know where to change the number within your software, please contact your vendor for assistance.

If you are using PES claims software or LTC application software, you can update your system by going to 'Tools' and selecting 'Options'. Click on the 'Carrier Tab'. Under 'Transaction Type', click 'Batch'. Click on the 'Phone Number' field. Note every character in the existing phone number. For example, change 264-2646 to 215-7800. Make sure to include all characters as they appeared in the existing phone number such as dashes, commas, area codes, or access codes.

Important Mailing Addresses	
Pharmacy, Dental, and UB-92 claims	EDS Post Office Box 244033 Montgomery, AL 36124-4033
HCFA-1500	EDS Post Office Box 244034 Montgomery, AL 36124-4034
Inquiries, Provider Enrollment Information, Provider Relations, and Diskettes for Electronic Claims Submission (ECS)	EDS Post Office Box 244035 Montgomery, AL 36124-4035
Medicare Related Claims	EDS Post Office Box 244037 Montgomery, AL 36124-4037
Prior Authorization (to include Medical Records)	EDS Post Office Box 244036 Montgomery, AL 36124-4036
Adjustments / Refunds	EDS Post Office Box 244038 Montgomery, AL 36124-4038

REMINDER

Hospitals must split bill claims that span:

- A rate change
- October 1 of any year
- More than one calendar year

Accident Forms Must Meet Certain Requirements

This is a reminder to providers that Medicaid's accident form must be submitted with all claims meeting the following requirements:

- The submitted charge is greater than $250.00
- The diagnosis code is one of the following:

72200 – 72499:   80000 – 90999;   92000 – 92999;   94000 – 95999;
98200 – 98489;   98500 – 98949;   98960 – 98999;   99820 – 99829;
99840 – 99849;   99870 – 99879.

Claims that meet this criteria and are not submitted with the accident form may be denied by Medicaid.

The following are exceptions to this requirement:

- Claims that result from an injury at the recipient's home and there is no potential product or other type liability. Claims must, however, indicate ' Home ' accident.
- Claims for services received as a result of an illness or disease and there is no potential third party liability. Claims must, however, indicate ' Treatment due to illness / disease.'
- Claims submitted by the following provider types:

Dentist	Optician / Optometrist
Independent Lab	Optical Dispensing Contractor
Independent Radiology	Hemodialysis
Skilled Nursing Facility	Private Duty Nursing
Intermediate Care Facility	Targeted Case Management
Home Health	Hospice
Transportation	Hearing Aid
DME	Waivered Services
Psychologist	Anesthesiologist
Audiology / Hearing Services	

Medicaid Announces Updates on Dental Billing

Medicaid has identified a problem when billing additional units of procedure codes D0230, D0240 and D0260. When billing these codes, you must now enter a unit of service in the tooth number slot on paper or electronic claims in order to get paid for multiple units. For example, the first time you bill for D0230 (Intraoral – Periapical, each additional film), you would put 01 in the tooth number indicator on the claim. The second time you bill for D0230 you would put 02 and so on. Please do this only for the procedures above and for those procedures requiring tooth numbers

D0140 Limited oral evaluation – problem focused (emergency treatment) has been corrected and should not deny for EOB code 854 (emergency oral exam may not be billed with another exam or definitive treatment on the same day). This procedure can be billed with other definitive treatment, but must not be billed in conjunction with other exam codes. Make sure that any test(s), emergency or definitive treatment is recorded in the dental record when using this code.

Supernumerary Rejections – supernumeraries are correct and will pay when entering "99" in tooth number for paper or electronic claims. Please resubmit any claims that have been denied in error.

Authorization Code on eligibility report does not give authorization to perform services for Medicaid recipients. This code is a tracking number for the electronic system and should be ignored.

Procedure code D4355 - full mouth debridement now requires periodontal charting in addition to bitewings and periapical radiographs of any involved anterior teeth.

TPL Policy on Updating Medicare Information

The Third Party Division does not update Medicare information with cancellation and effective dates. The Medicare information that is reflected on Medicaid's file is transmitted to this agency on a monthly basis from the Health Care Financing Administration in Baltimore, Maryland. If you have questions or concerns regarding Medicare eligibilitry dates, you may contact Janice Miles at (334) 242-5257.

Information the Provider Should Have Before Calling PAC

When placing your call to the EDS Provider Assistance Center (PAC), please have the following information:

- ICN of claim in question
- Recipient Medicaid Number
- Provider Number / Group Number
- Date of Service

With all providers practicing this method, the PAC Unit can provide assistance in a more timely manner. To contact PAC, call (800) 688-7989.

LTC PES Software Now Available

The 1.04 Upgrade of the Long Term Care Provider Electronic Solutions (LTC PES) software is now available. The new version will allow users to submit a response request after the applications are transmitted. Also, it will allow the user to submit multiple applications for the same recipient.

This software will upgrade the 1.01 and 1.03 versions. It is available on compact disk or diskette. If you are not presently transmitting your LTC applications with the LTC PES software, a full installation version of 1.04 is available. To obtain a copy or receive more information about the LTC PES software, call EDS representative Linda Hedderig at (334) 215-4112.

Common Mistakes Providers Make on UB-92 Forms

Enter the referring physician's provider number for the following types of referrals:

- EPSDT referrals
- Patient 1st referrals
- Lock-in physician referrals

The referring provider number should contain nine digits.

If a referring provider number is indicated here, you must include a condition code of A1, A4, X2, or X3 in Block 24. If not applicable, leave blank.

Revenue 001 (Total) must appear on every claim.

For inpatient claims, enter occurrence code XO and the first and last days that were approved by Utilization.

Limited to 23 detail changes.

Inpatient - Enter the accommodation rate per day.
Outpatient - Claims must have the appropriate HCPCS, CPT-4, or other Medicaid-assigned procedure code.

Outpatient: enter the date of service that the procedure was performed.

Do **not** enter Medicaid copayment amount.
Do **not** enter Medicare payment amount.

Enter the eight character Medicaid provider number.

Enter the patient's 13-digit RID from the Medicaid eligibility verification.

Enter the ten-digit prior authorization number.

Enter an H to indicate that the service was rendered as a result of a home accident or treatment due to disease. Enter E to indicate a certified emergency. Both values may be entered, as applicable. Certified emergency ER claim must be certified by the attending physician.

Enter the attending physician's license number

Do **not** use decimal points in the diagnosis code field.

Use examples like:

Home accident
Treatment due to disease
TPL paid (MM/DD/YY)
TPL denied (MM/DD/YY)

An authorized representative must sign his or her name or initial his or her computer-generated, stamped, or typed name.

Enter the date the bill was signed.

EDS Provider Representatives

G R O U P 1

bryan.murphy
@alxix.slg.eds.com
334-215-4113

tasha.mastin
@alxix.slg.eds.com
334-215-4159

elaine.bruce
@alxix.slg.eds.com
334-215-4155

denise.shepherd
@alxix.slg.eds.com
334-215-4132

CRNA
EPSDT (Physicians)
Dental
Physicians
Optometric
 (Optometrists and Opticians)
Nurse Practitioners
Podiatrists
Chiropractors
Independent Labs
Free Standing Radiology

North: Bryan Murphy and Tasha Mastin

Bibb, Blount, Calhoun, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, DeKalb, Etowah, Fayette, Franklin, Greene, Hale, Jackson, Jefferson, Lamar, Lawrence, Lauderdale, Limestone, Madison, Marion, Marshall, Morgan, Pickens, Randolph, Shelby, St. Clair, Talladega, Tuscaloosa, Walker, Winston
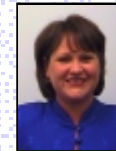
South: Elaine Bruce and Denise Shepherd

Autauga, Baldwin, Barbour, Bullock, Butler, Chambers, Choctaw, Clarke, Coffee, Conecuh, Covington, Crenshaw, Dale, Dallas, Elmore, Escambia, Geneva, Henry, Houston, Lee, Lowndes, Macon, Marengo, Mobile, Monroe, Montgomery, Perry, Pike, Russell, Sumter, Tallapoosa, Washington, Wilcox

G R O U P 2

Children's Specialty Clinics
Prenatal Clinics
Maternity Care
Nurse Midwives
Rural Health Clinic
Therapy Services (OT, PT, ST)
Commission on Aging
DME
Hearing Services
Ambulance
FQHC

Rehabilitation Services
 Home Bound Waiver
Mental Health/Mental Retardation
 MR/DD WaiverPublic Health
 Elderly and Disabled Waiver
 Home and Community Based Services
 EPSDT
 Family Planning
 Prenatal
 Preventive Education
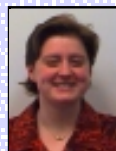
laquita.wright
@alxix.slg.eds.com
334-215-4199

ann.miller
@alxix.slg.eds.com
334-215-4142

G R O U P 3

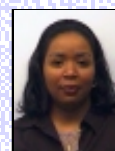**kristie.wallace**
@alxix.slg.eds.com
334-215-4130

amy.clackler
@alxix.slg.eds.com
334-215-4156

jacquie.allen
@alxix.slg.eds.com
334-215-4160

Ambulatory Surgical Centers
ESWL
Home Health
Hospice
Hospital
Nursing Home
Personal Care Services
PEC
Private Duty Nursing
Renal Dialysis Facilities
Swing Bed

One new Provider Representative will be hired to fill vacancies in the near future.

Schedule For Patient 1ˢᵗ and Plan First Workshops

Patient 1ˢᵗ and Plan First Road Shows with PT+3 training will be held in each of the following cities during the month of June. Please plan on attending to learn about the changes regarding each of these programs. Watch your mail for upcoming information. You must R.S.V.P. to attend. Please contact Nancy Rawlinson at 334-353-5203 for attendance reservation.

June 12, 2001	Vaughn Rd Church of Christ	Montgomery, AL	8:30 a.m. to 12:20 p.m.
June 18, 2001	Senior Activity Center	Gadsden, AL	1:00 p.m. to 5:00 p.m.
June 19, 2001	Hilton Huntsville	Huntsville, AL	8:30 a.m. to 12:30 p.m.
June 20, 2001	1ˢᵗ United Methodist Church	Tuscaloosa, AL	8:30 a.m. to 12:30 p.m.
June 21, 2001	Botanical Gardens	Birmingham, AL	8:30 a.m. to 12:30 p.m.
June 26, 2001	Springhill Baptist Church	Mobile, AL	8:30 a.m. to 12:30 p.m.
June 27, 2001	Dothan Conference Center	Dothan, AL	8:30 a.m. to 12:30 p.m.

Provider Electronic Solutions (PES) Software Version 1.09 is Available

EDS Provider Electronic Solutions Software
Version 1.09 Request Form

DATE REQUESTED: _____

PROVIDER NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE NUMBER: (   ) _____

CONTACT NAME: _____

What version of Windows do you have on your PC?

☐ Windows 95   ☐ Windows 98   ☐ Windows NT   ☐ Other _____

☐ 9 Diskettes   ☐ 1 CD ROM

☐ Complete Install of PES

☐ Upgrade

Mail this request to:
EDS
P.O. Box 244035
Montgomery, AL 36124-4035

If you need a copy of version 1.09 of the PES software, please complete the above form and mail it to EDS or download it from the Medicaid website.

Version 1.09 of the PES software is now available. It contains several improvements such as changing all claim types to allow input of the maximum number of details and added additional text messages for error codes that are returned on a rejected response.

There are two forms of Provider Electronic Solutions software that are available to providers free of charge. The first is a complete install of PES. This form of the software should be ordered if you have never installed PES on your computer. This form contains the complete installation program including the database and base list files. **If PES already exists on your computer and you install this form of PES, you will overwrite your database and any existing list files (recipient, provider, procedure code, etc… databases).** The second form of PES should be ordered if you already have PES on your computer. This form of the software is an upgrade. Upgrades contain any improvements or additions that we have added to the earlier versions of PES. **Upgrades will not overwrite your database or list files.**

Smile Alabama! and Statewide Regional Dental Workshops

Medicaid and EDS staff conducted a series of 14 workshops across the state in March to update Medicaid providers about changes in the dental program, explain billing procedures and assist with any filing problems providers were encountering.

Medicaid also used this opportunity to meet and talk to dentists interested in joining Medicaid's list of providers. Information about the Smile Alabama! dental initiative was presented. Orders were taken for brochures, posters, appointment reminder cards and other dental tools that dentists can use for re-

cipient education. These colorful items, featuring initiative's mascot, Smiley Al, urging youngsters to brush their teeth are being made available,

free of charge, to Medicaid providers. Unfortunately, we had a lower attendance than we had hoped for the workshops. For those who were unable to attend, we are planning a second round of workshops in the fall. Medicaid will provide additional information on the dental program, answer any questions and provide additional assistance.

In the meantime, you are urged to call the Dental Program at (334) 242-5997 or (334) 242-5472 if you need any assistance with filing problems, or if you need a visit to assist with the software we have provided.